



EASTMONT SCHOOL DISTRICT

FISCAL YEAR 2020-2021 BUDGET

As Presented for Public Hearing

June 08, 2020

Presented by: Cindy Ulrich, Executive Director of Financial Services

2020-2021 BUDGET PRESENTATION:

- ▶ Review Budget Process
- ▶ Present Proposed Budgets for:
 - ▶ General Fund
 - ▶ Associated Student Body Fund
 - ▶ Debt Service Fund
 - ▶ Capital Project Fund
 - ▶ Transportation Vehicle Fund
- ▶ Answer Questions

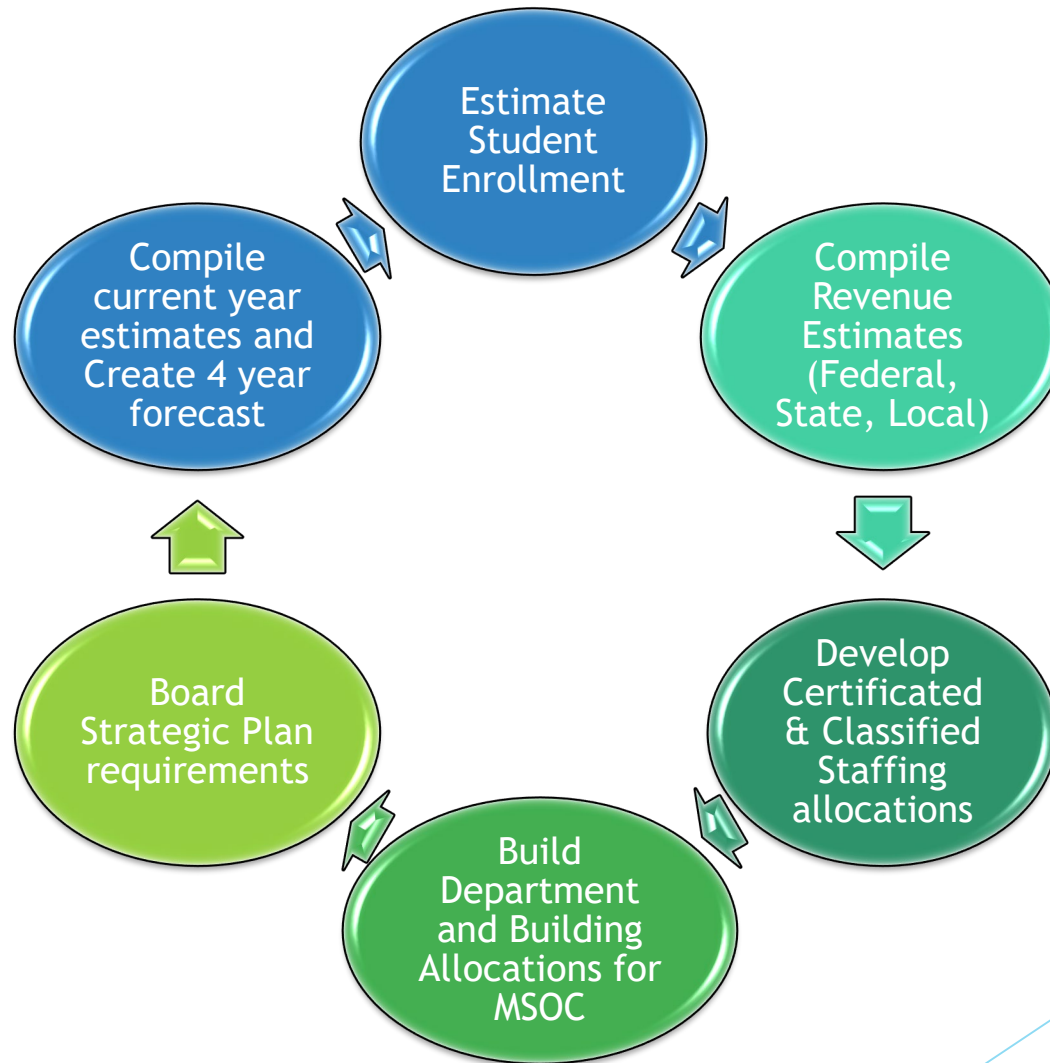




BUDGET DEVELOPMENT- STRATEGIC PLAN GUIDANCE

- ▶ Strategic Plan 6000 Series Goals provide for budget support for the following initiatives:
 - ▶ District Goal A: Technology shall be integrated with instruction and, equitably distributed, and used to increase operational efficiencies and accuracy.
 - ▶ (6000 A) Strategy: Ensure high school age students achieve a level of technology competency equal to the top high schools across the country.
 - ▶ Ensure students have equitable access to technology
 - ▶ District Goal B: Maintain a financially healthy district that demonstrates responsible use of public funds.
 - ▶ (6000 B) Strategy: Ensure the district annual expenditures do not exceed available revenue and reserves.
 - ▶ Ensure up to 1% of funds are set aside to fund competitive wages and benefits
 - ▶ Ensure minimum of 2% allocated to Curriculum & Instruction, Facilities, Transportation & Technology
 - ▶ Board Policy 6020 requires Commitment to Minimum Fund Balance = 8% of Budgeted Expenditures

GENERAL FUND: BUDGET DEVELOPMENT CYCLE





GENERAL FUND: BUDGET DEVELOPMENT HIGHLIGHTS

▶ 2019-2020 ENDING FUND BALANCE

- ▶ \$3.3 million more than projected. Started with better than anticipated fund balance at the beginning of the year.

▶ 2020-21 ENROLLMENT ESTIMATE

- ▶ 1% Negative growth using March average - our last count date

▶ 2020-2021 REVENUE

- ▶ Only change to State's Prototypical School Funding Formula is to increase funded salaries by 1.6% Implicit Price Deflator
- ▶ No change expected in traditional Federal allocations
- ▶ Includes CARES act funding

▶ 2020-2021 EXPENDITURES

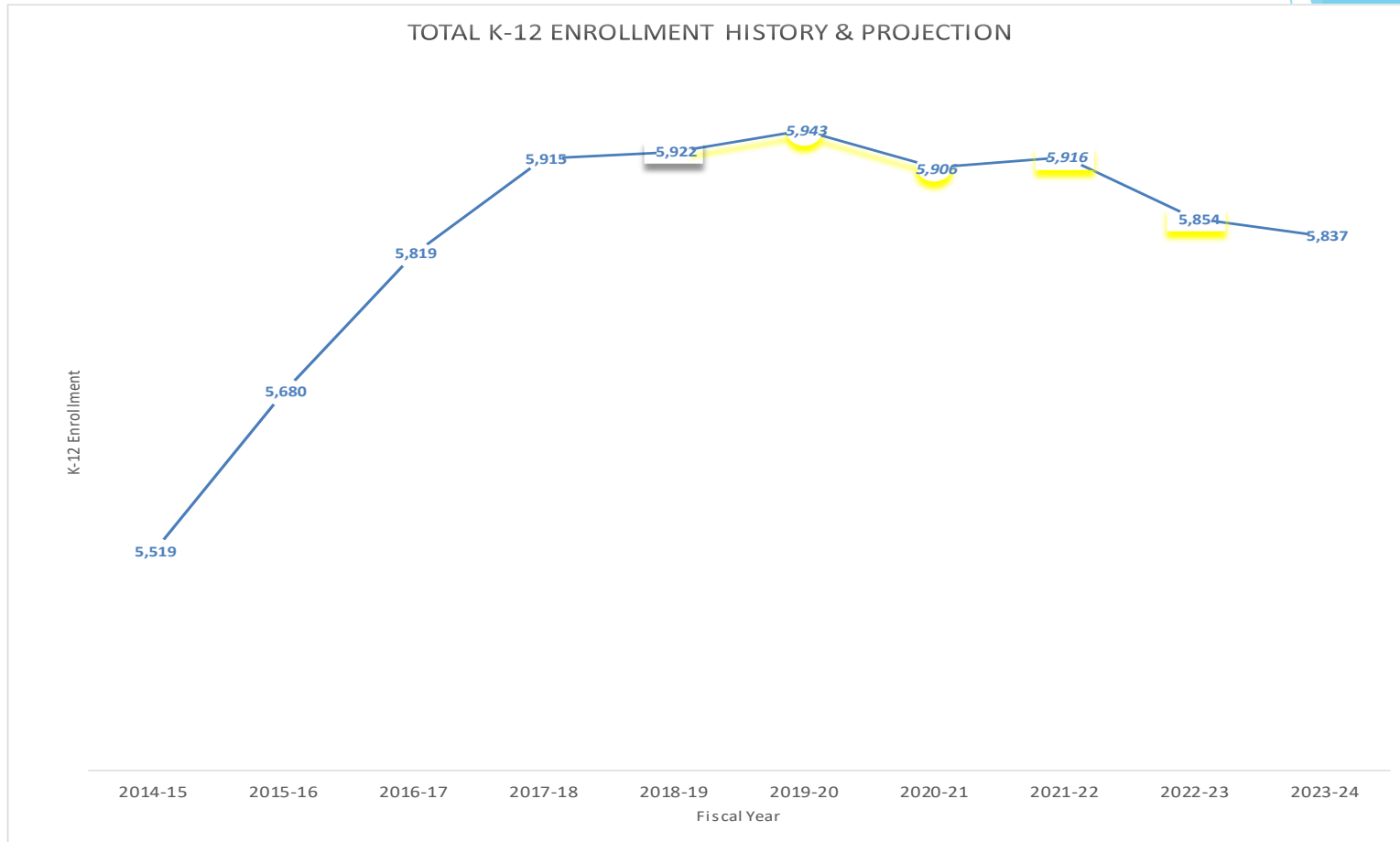
- ▶ Compensation continues to represent the largest component of General Fund operations
- ▶ Staffing presented in this budget assumes traditional school operation



GENERAL FUND: CURRENT YEAR END ESTIMATES

- ▶ REVENUES = Project \$1.6 million less than estimated
 - ▶ Budget estimate was \$84.9 million
 - ▶ Actual projection is \$83.3 million (98% of budget)
- ▶ EXPENDITURES = Project \$1.9 million less than estimated
 - ▶ Budget estimate was \$86.6 million
 - ▶ Actual projection is \$84.5 million (98% of budget)
- ▶ TOTAL ENDING FUND BALANCE = \$15.0 million
 - ▶ Total includes \$6.9 million Commitment to Minimum Fund Balance (8% of budgeted expenditures)

GENERAL FUND: 2020-2021 ENROLLMENT ESTIMATE

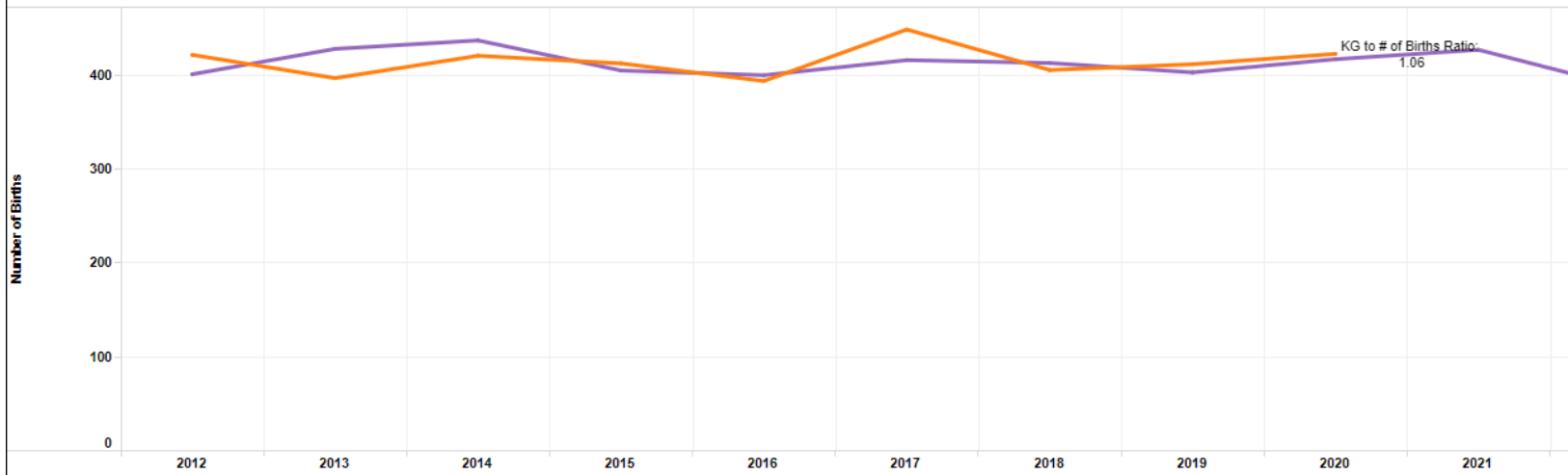


GENERAL FUND: 2020-2021 ENROLLMENT ESTIMATE

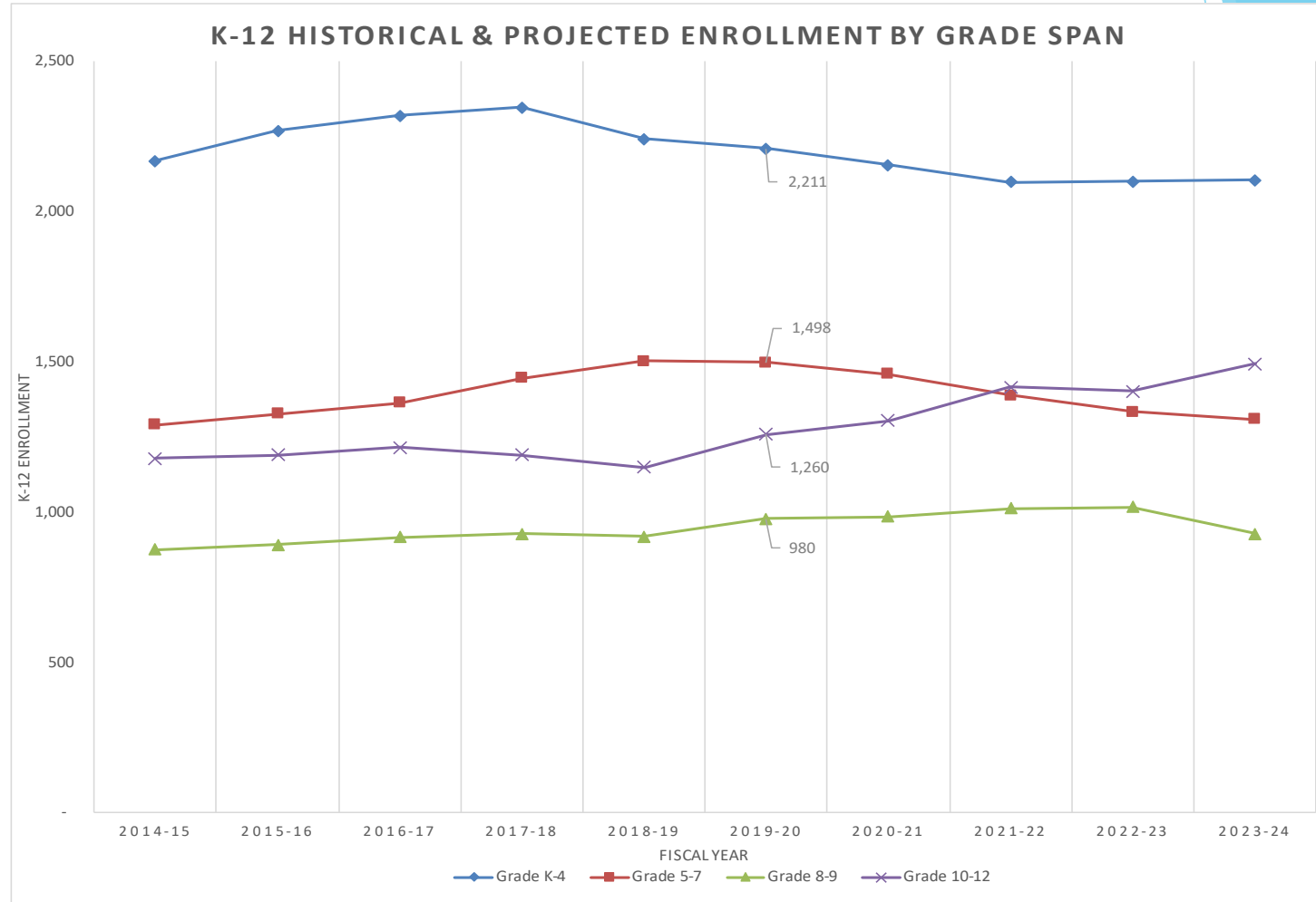
Live Births Chart

Source: Washington State Department of Health

District		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Eastmont School District	KGs to Number of Births Ratio	1.06	1.00	1.06	1.03	0.99	1.13	1.02	1.03	1.06				
	Number of Births	400	427	436	404	399	415	412	402	416	426	387	447	382
	KG Enrollment	423	425	460	418	394	467	419	415	441				

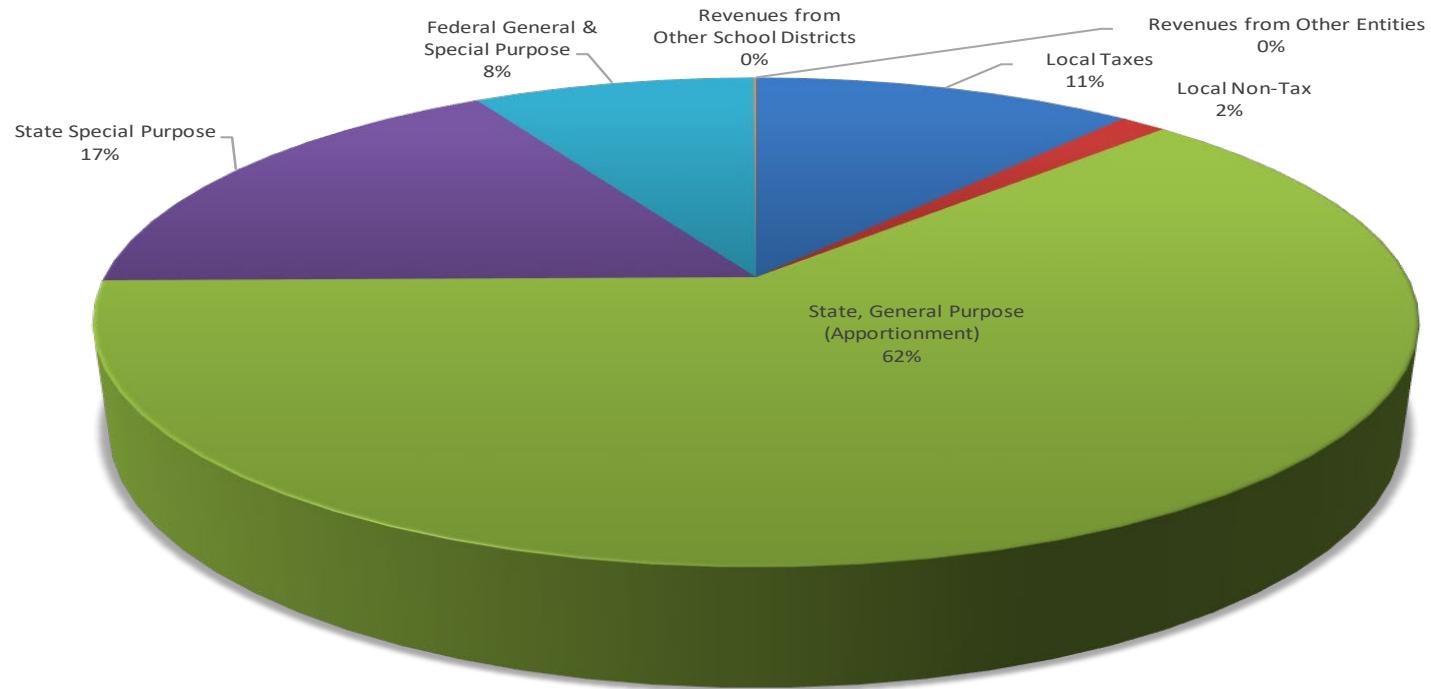


GENERAL FUND: Actual & Projected Building Enrollment



GENERAL FUND: PROPOSED REVENUE = \$87.8 million

**GENERAL FUND FY 2020-2021
PROPOSED REVENUE BY CATEGORY**



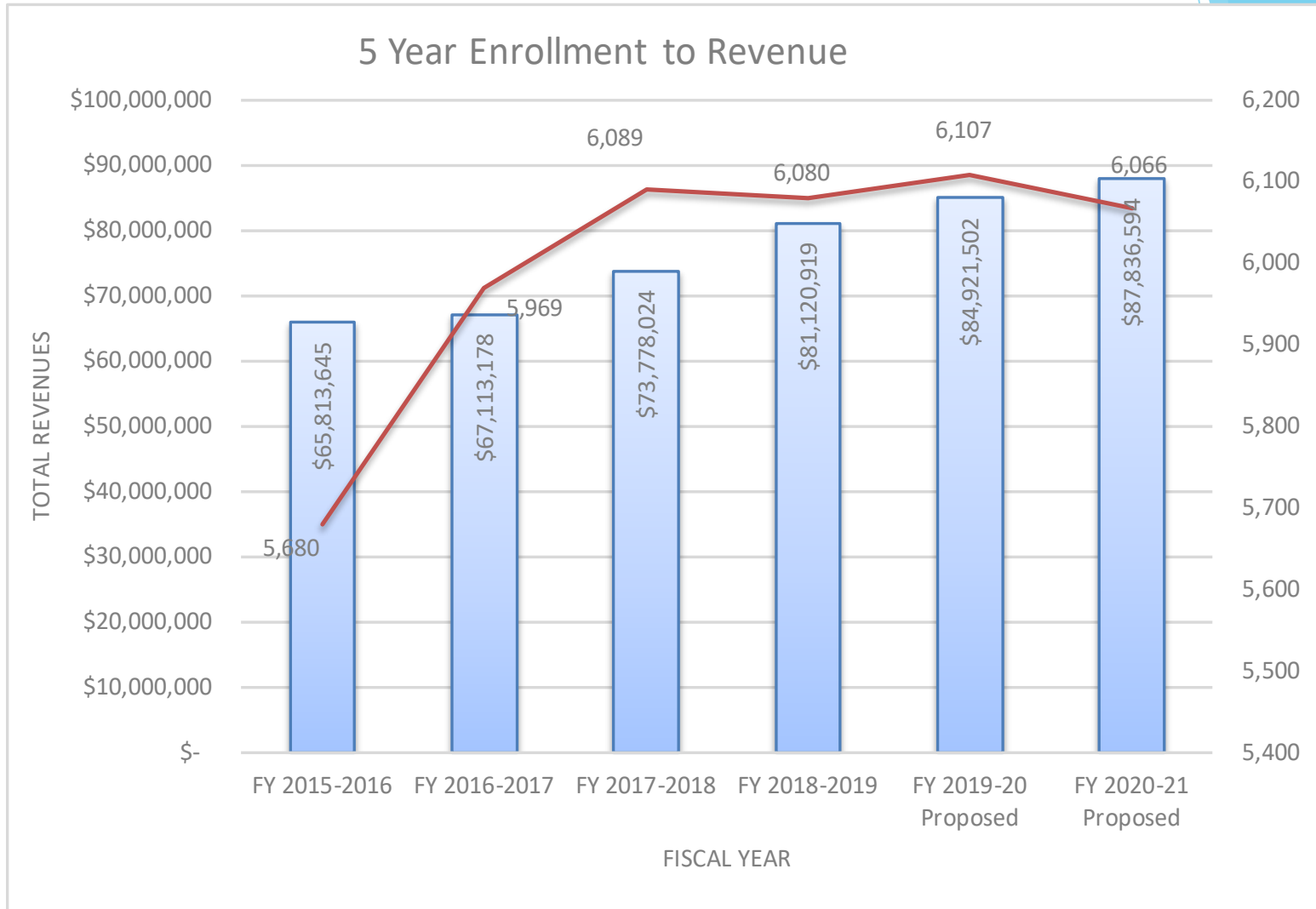
- Local Taxes
- Local Non-Tax
- State, General Purpose (Apportionment)
- State Special Purpose
- Federal General & Special Purpose
- Revenues from Other School Districts
- Revenues from Other Entities

GENERAL FUND: EP&O Levy

Calendar Collection Year	Authorized Levy Amount	Rate per thousand of Assessed Valuation
2018	\$9,630,127	\$2.30
2019	\$6,783,092	\$1.50**
2020	\$10,233,906	\$2.11
2021	\$10,523,103	\$2.01 (estimated)

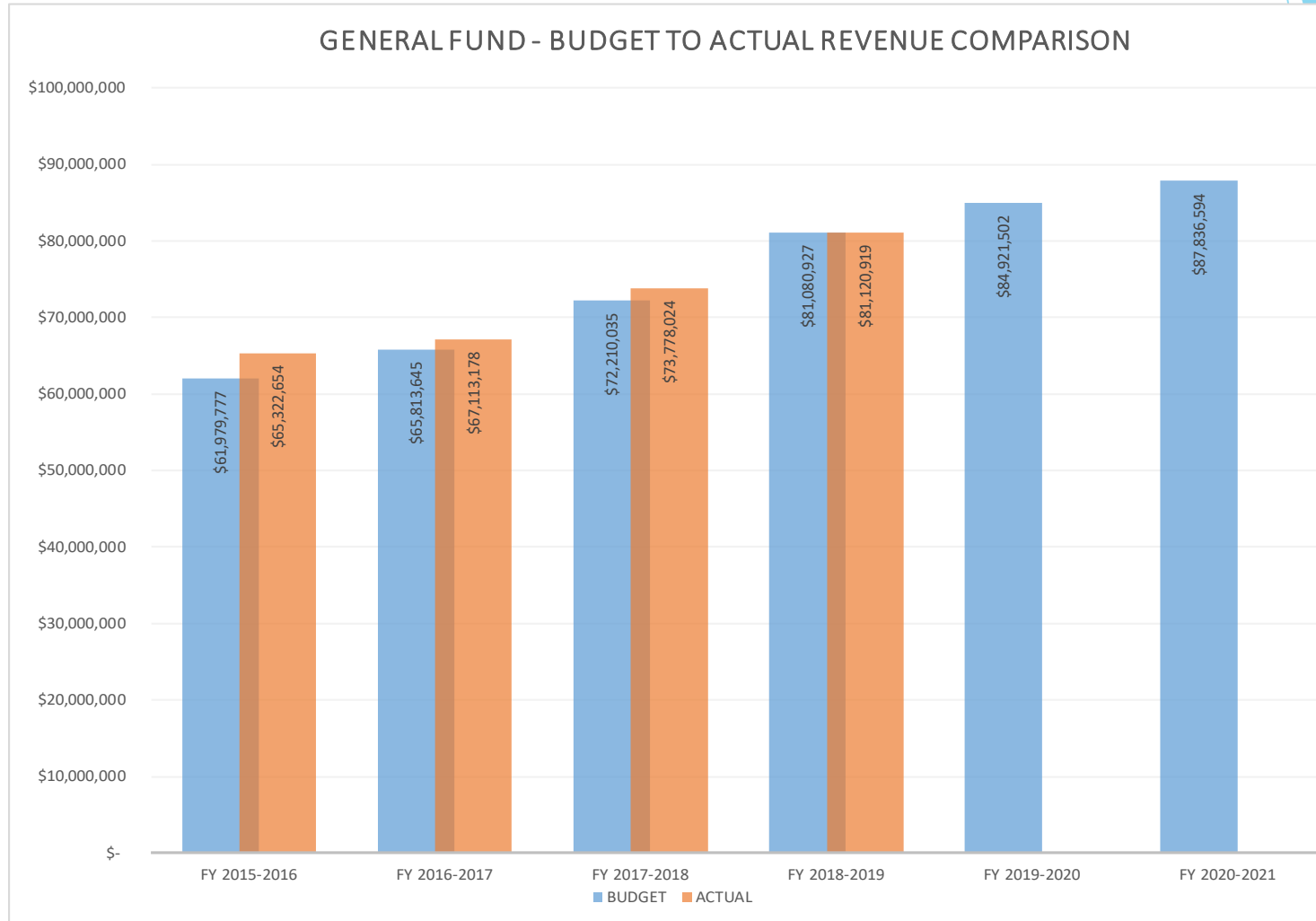
- District was limited to \$1.50 per thousand collection rate in 2019

GENERAL FUND: ENROLLMENT & REVENUE



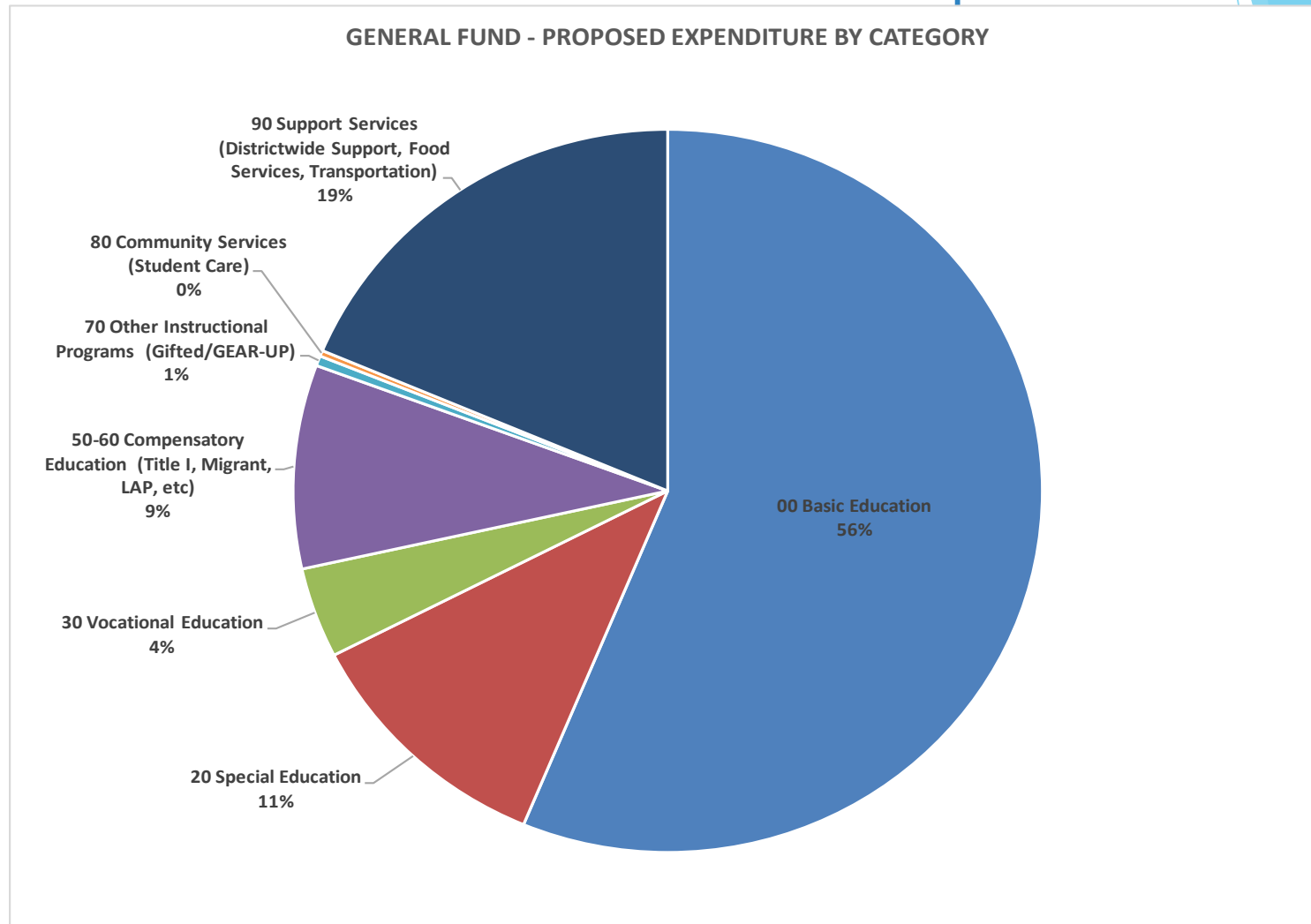
Quality Education - A Community Commitment Built on Relationships, Relevance, Rigor, and Results

GENERAL FUND: BUDGET TO ACTUAL COMPARISON



Quality Education - A Community Commitment Built on Relationships, Relevance, Rigor, and Results

GENERAL FUND: PROPOSED EXPENDITURES = \$91.0 million





GENERAL FUND: PROPOSED EXPENDITURES

▶ Operating Expenditures:

- ▶ \$76.4 million for personnel costs
 - ▶ Budgeted staffing assumes normal school operations
 - ▶ Actual staffing is more conservative
- ▶ Adjustments to Insurance. Other Materials, Supplies and Operating Costs remain same as budgeted for 2020-21

▶ Strategic Plan Expenditures-\$2.0 million:

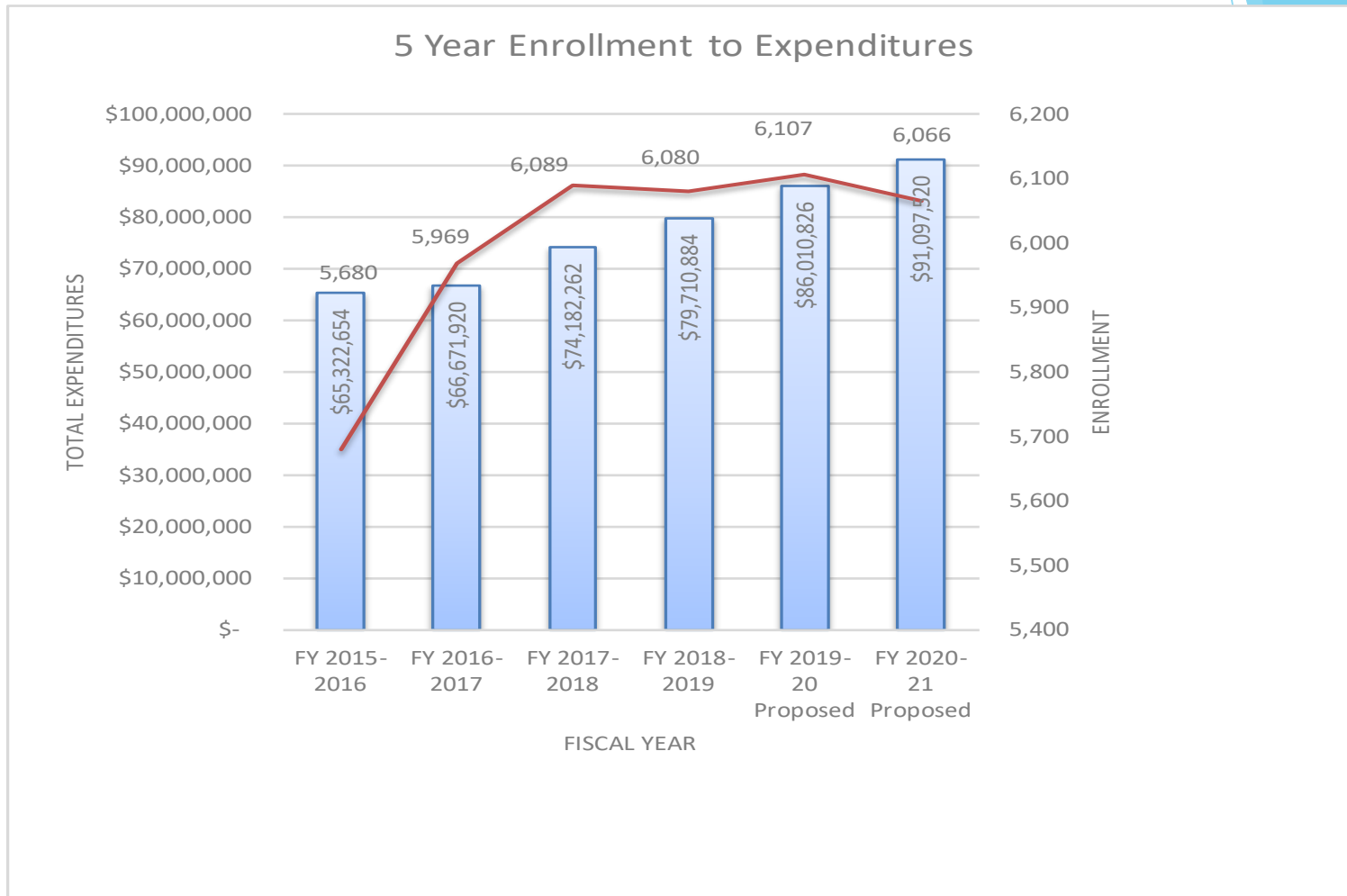
- ▶ \$455,000 -Curriculum
- ▶ \$450,000-Technology infrastructure
- ▶ \$205,000 - Maintenance & Fleet Equipment replacement
- ▶ \$500,000 - Safety and Security needs (School Resource Officers; Facility Safety & Security Upgrades)
- ▶ \$312,250 - Transfer to CPF for LGO Bond Interest
- ▶ \$225,000 - Transfer to TVF



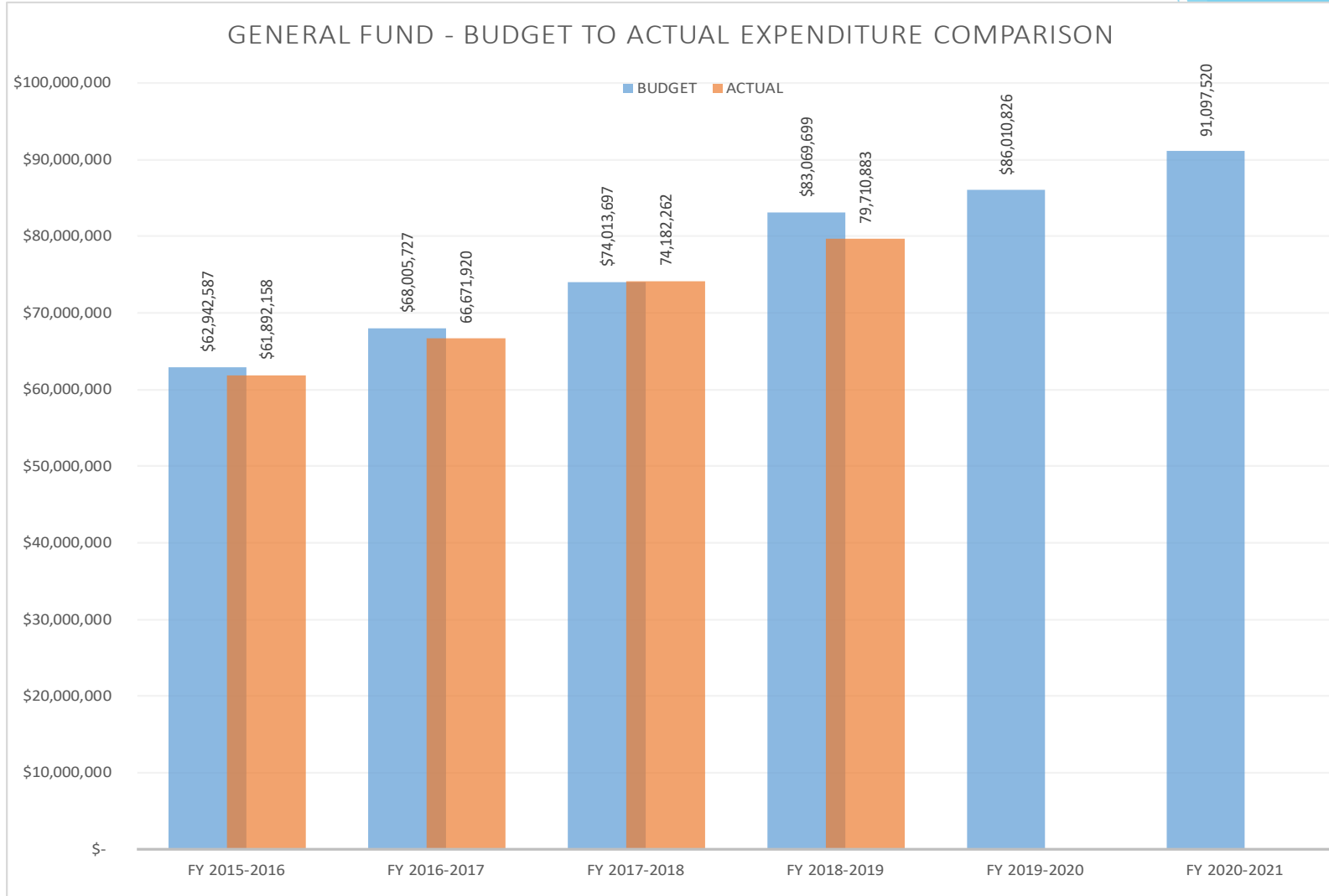
GENERAL FUND: PROPOSED EXPENDITURES

- ▶ Materials, Supplies and Other Costs (MSOC)
 - ▶ The State Legislature continues to require that School Districts disclose:
 - ▶ The amount of MSOC funding in the budget; the amount the District plans to spend on MSOC; and the difference between the two amounts. If the amount of MSOC funding exceeds the proposed spending, the District must report use of this difference and “how it will improve student achievement.”
 - ▶ In the event MSOC Revenue exceeds MSOC Expenditures: Any excess of funding over expenditures will improve student achievement by continuing to provide funding to attract & retain qualified staff
 - ▶ MSOC Revenue estimate = \$7.3 million; MSOC Expenditure estimate = \$7.4 million

GENERAL FUND: ENROLLMENT & EXPENDITURES



GENERAL FUND: PROPOSED EXPENDITURES





GENERAL FUND: LOCAL SUB FUND SOURCES & USES

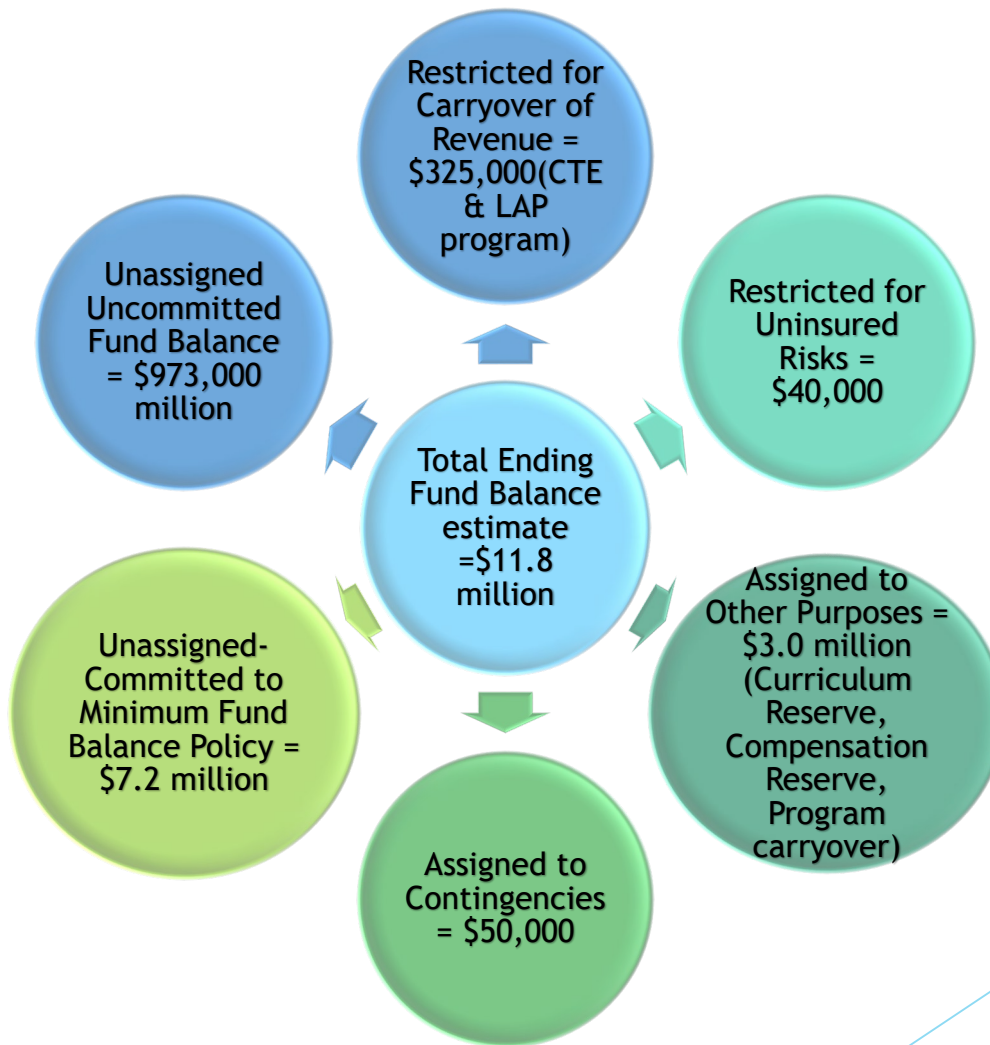
- ▶ Effective for the 2018-19 school year, separate accounting of state and local revenues, and local revenues to expenditures is required. Local revenues means enrichment levies collected under RCW 84.52.053, local effort assistance funding received under chapter 28A.500 RCW, and other school district local revenues including, but not limited to, grants, donations, and state and federal payments in lieu of taxes.
- ▶ Local revenue does not include other federal revenues, or local revenues that operate as an offset to the district's basic education allocation under RCW 28A.150.250
- ▶ School districts are required to deposit local revenues into a sub-fund of the general fund.
- ▶ For the 2018-19 school year, the State Auditor's Office (SAO) review of school district financial statements related to this requirement will be aimed at ensuring school districts have established a local revenue sub-fund.
- ▶ Beginning 9/1/19, local revenues may only be used for documented and demonstrated enrichment of the state's statutory program of basic education.



GENERAL FUND: 2020-2021 LOCAL SUB FUND SOURCES & USES

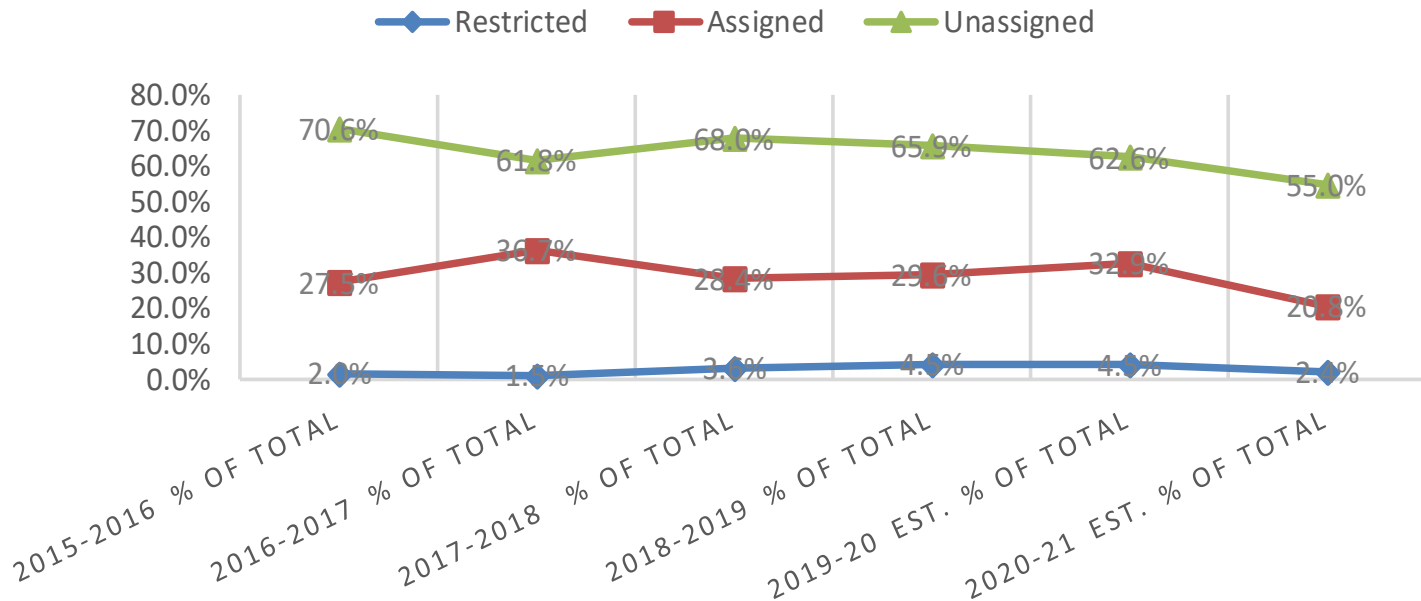
- ▶ Local Sub Fund Sources - \$12.6 million
 - ▶ Educational Program Levy = \$9.7 million
 - ▶ Local Effort Assistance = \$2.1 million
 - ▶ Local Grants & Donations = \$100,000
 - ▶ Student Fees & Fines (Local Fee Schedule)
 - ▶ Facility Use Fees (Local Fee Schedule)
- ▶ Local Sub Fund-Uses
 - ▶ Costs of personnel that exceed the OSPI proto-typical school funding model
 - ▶ Board Program Initiatives (Art, Music, STEM)
 - ▶ Strategic Plan requirements (Technology, Curriculum, Maintenance, Facility Improvements/Investment)
 - ▶ Pre-School program offerings not funded by SPED or CTE
 - ▶ Extra-curricular activities
 - ▶ Student & Staff Safety/Security

GENERAL FUND: PROPOSED FUND BALANCE BREAKDOWN



GENERAL FUND: DISTRIBUTION OF FUND BALANCE DESIGNATIONS

GENERAL FUND - 5 YEAR FUND BALANCE DESIGNATION DISTRIBUTION



GENERAL FUND: PROPOSED FUND BALANCE

- ▶ Proposed Total Expenditures exceed Proposed Total Revenues by \$3.2 million

- ▶ Fiscal impact is the use of Unassigned Fund Balance

- ▶ Unassigned Fund Balance is available

Beginning Balance:	\$15.0 million
+ Estimated Revenue:	\$87.8 million
- Estimated Expenditures:	\$91.0 million
= Ending Fund Balance:	\$11.8 million

- ▶ Unassigned Fund Balance Projection:

- ▶ Commitment to Minimum Fund Balance = \$7.2 million (8% of total budgeted expenditures)

- ▶ Unassigned Fund Balance = \$953,000(3% of total budgeted expenditures)



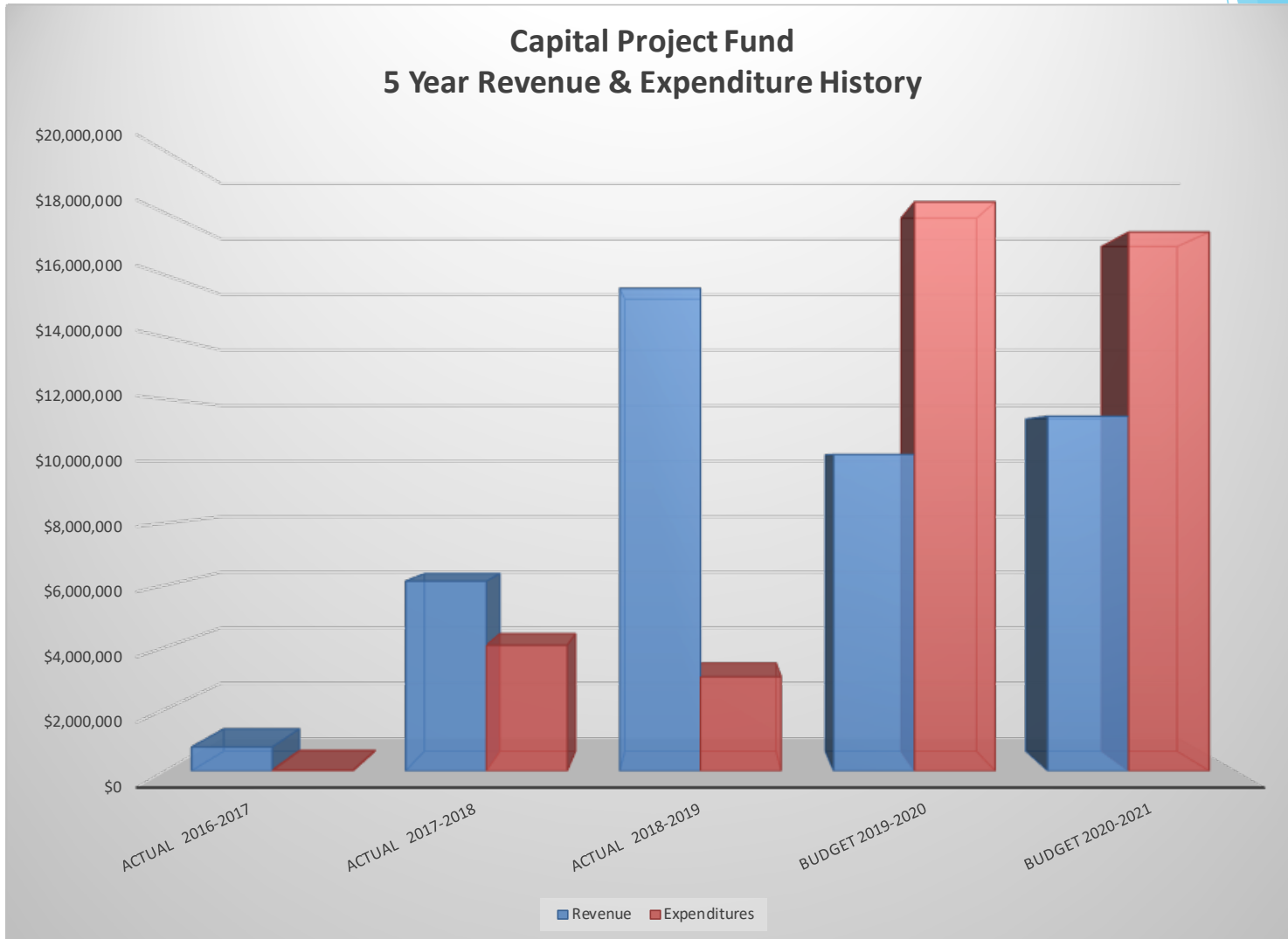
CAPITAL PROJECT FUND: PROPOSED BUDGET

- ▶ The Capital Projects Fund includes all monies and resources set aside for the construction of buildings, certain purchases of new equipment and making capital improvements to its buildings or infrastructure
- ▶ Revenues received by this fund are typically from the sale of bonds, state match, or special levies. Monies received from the sale of surplus real property must also be received in this fund
- ▶ Estimated beginning fund balance is \$13.2 million

CAPITAL PROJECT FUND: PROPOSED BUDGET

- ▶ Proposed Revenue = \$11.4 million:
 - ▶ \$3.5 million - Capital Levy Collection
 - ▶ Estimate anticipates reduced levy collection
 - ▶ \$7.4 million - OSPI K3 Class Size Construction grant revenue
 - ▶ \$312,250 - Transfer from General Fund for interest on LGO Bond
 - ▶ This will be transferred to Debt Service Fund for payment to County Treasurer
- ▶ Proposed Expenditures = \$17.3 million:
 - ▶ \$16.5 million - Complete Elementary Phase 1 K3 Class Size Facility Renovation

CAPITAL PROJECT FUND: PROPOSED BUDGET





DEBT SERVICE FUND: PROSPOSED BUDGET

- ▶ Washington State law requires that this fund be established to account for the payment of principal, interest, and other expenditures related to the redemption of outstanding bonds
- ▶ Provisions must be made annually for the making of a property tax levy sufficient to meet payment of principal and interest
- ▶ The County Treasurer holds collected levy monies in authorized interest earning accounts and/or securities until bond maturity or interest payment dates
- ▶ Estimated beginning fund balance \$9.8 million

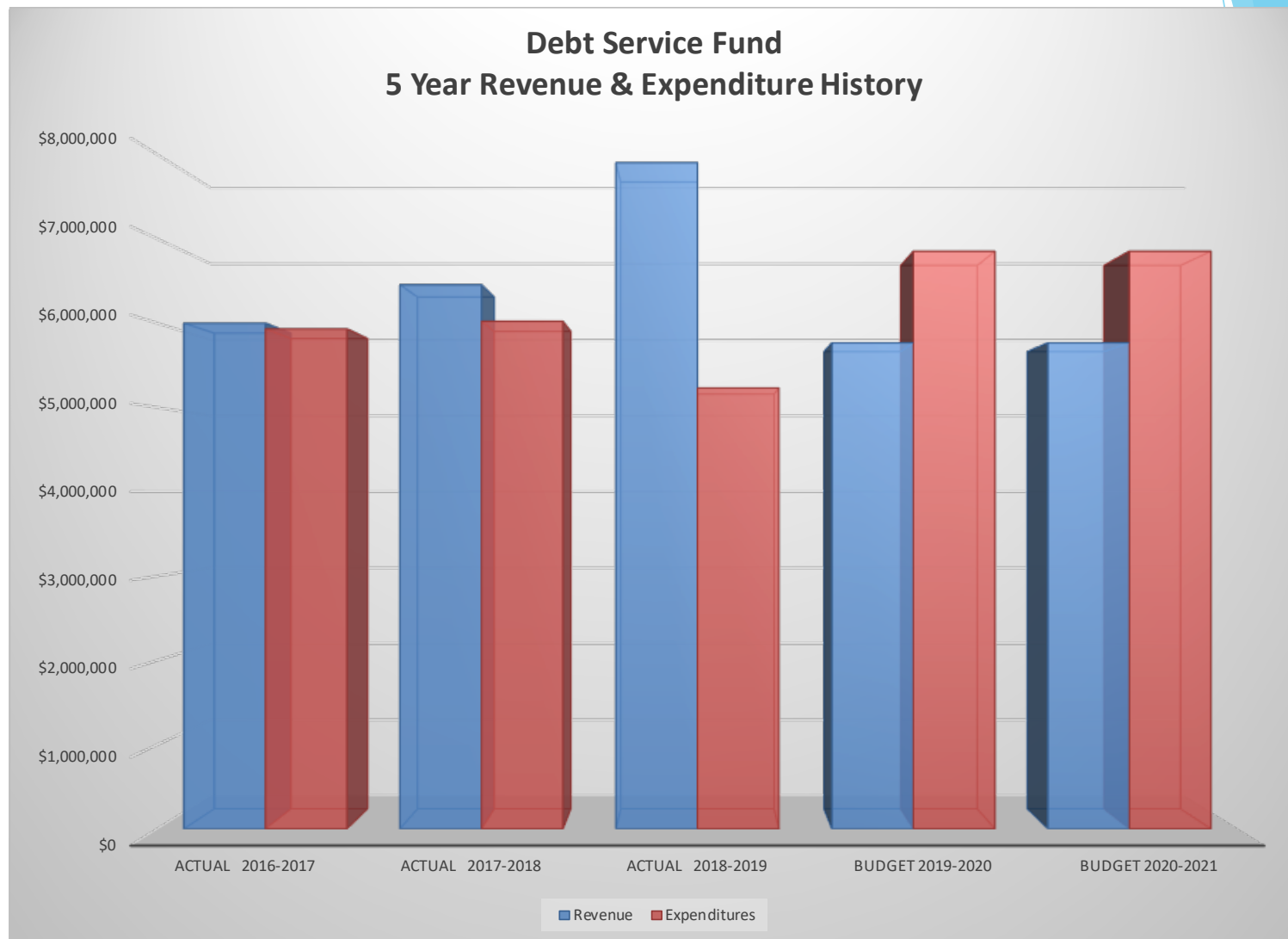


DEBT SERVICE FUND: PROSPOSED BUDGET

- ▶ Proposed Revenue = \$5.4 million:
 - ▶ \$4.3 million - Debt Service Levy Collection
 - ▶ \$847,000 - Federal Subsidy for BAB & QSCB
 - ▶ \$312,250 - Transfers from CPF for non-voted debt payment
- ▶ Proposed Expenditures = \$6.8 million:
 - ▶ \$6.5 million - Voted Bond payments
 - ▶ \$312,250 - Interest only on 2019 LGO Bond



DEBT SERVICE FUND: PROPOSED BUDGET



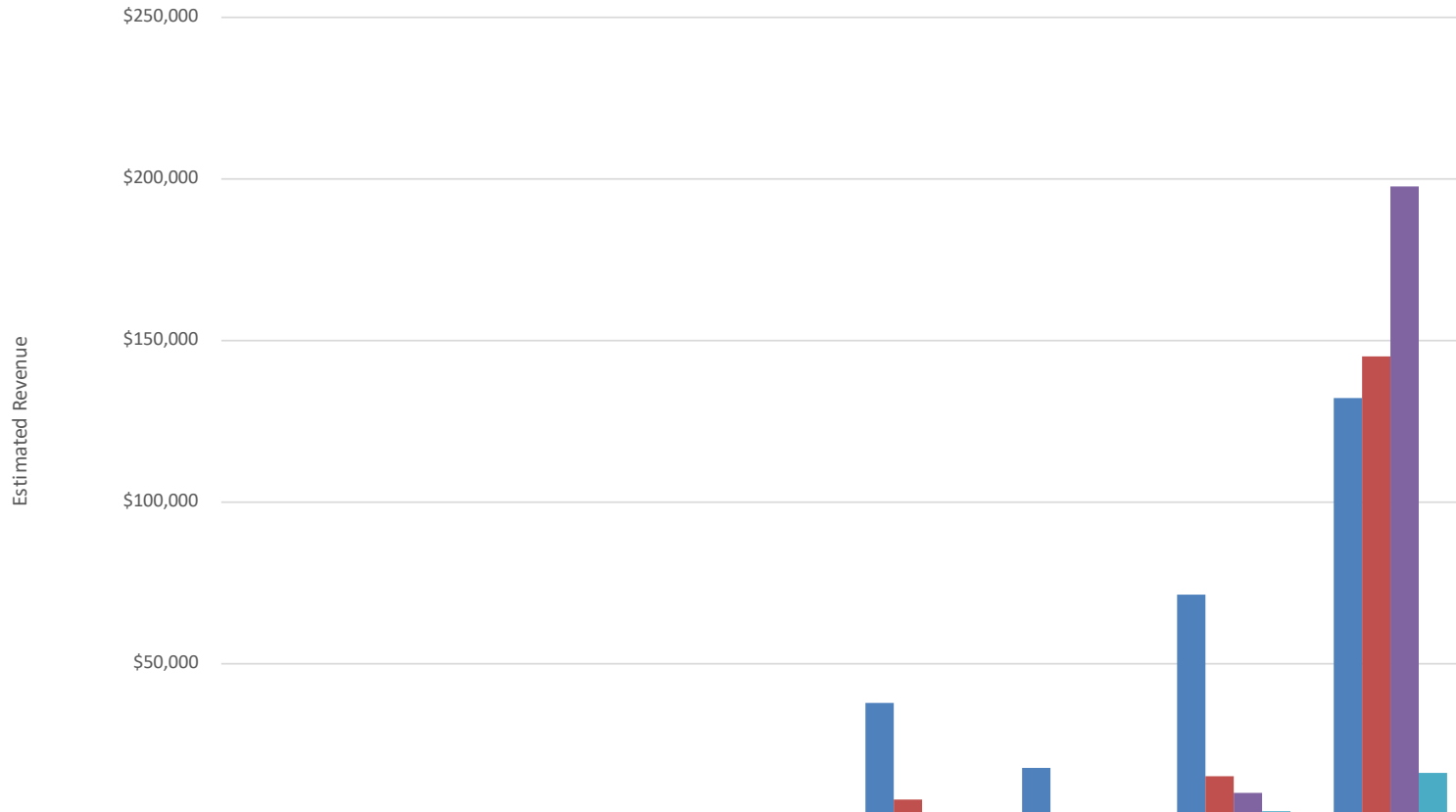


ASSOCIATED STUDENT BODY FUND: PROPOSED BUDGET

- ▶ The ASB fund is financed by the collection of fees from students and non-students for attendance at any optional non-credit extracurricular events of the district.
 - ▶ ASB's operate at 8 of our schools.
- ▶ Revenue may also be raised by student fundraisers. The monies paid from this fund are used to support activities of the general student body, classes, clubs, etc. that are cultural, athletic, recreational or social in nature
- ▶ Estimated beginning fund balance is \$448,224

ASB FUND: PROPOSED REVENUE = \$667,130

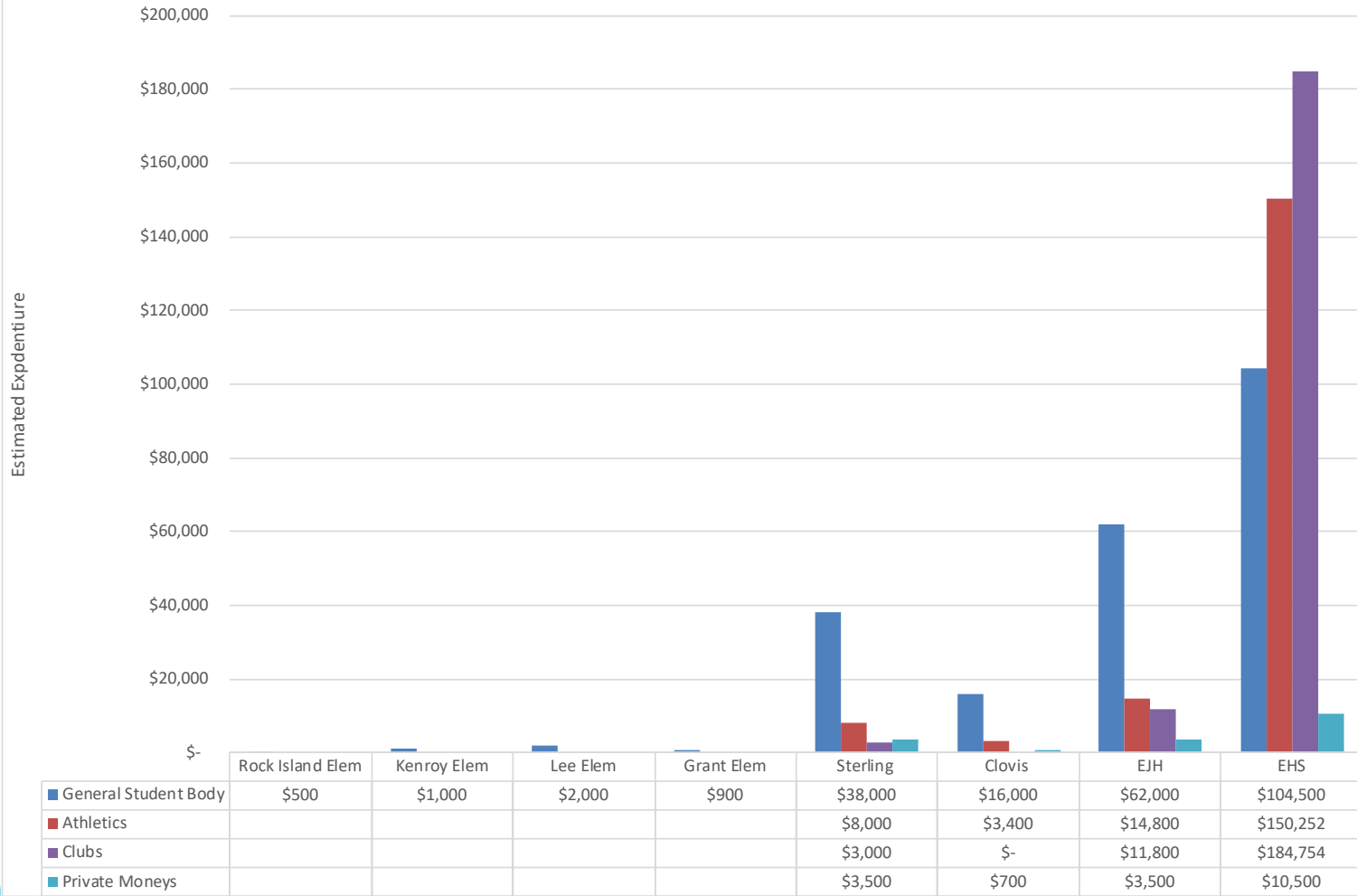
FY 2020-2021 ASB PROPOSED BUDGET
REVENUES BY CLUB/ACTIVITY



	Rock Island Elem	Kenroy Elem	Lee Elem	Grant Elem	Sterling	Clovis	EJH	EHS
General Student Body	\$400	\$500	\$700	\$900	\$38,000	\$17,500	\$71,000	\$132,300
Athletics					\$8,000	\$3,400	\$15,100	\$145,040
Clubs					\$3,000	\$-	\$9,900	\$197,290
Private Moneys					\$3,500	\$600	\$4,000	\$16,000

ASB FUND: PROPOSED EXPD = \$619,106

FY 2020-2021 ASB PROPOSED BUDGET
EXPD BY CLUB/ACTIVITY



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TRANSPORTATION VEHICLE FUND: PROPOSED BUDGET

- ▶ The TVF fund is used to account for the state reimbursement to school districts for purchase or major repair of buses or other vehicles used to transport students to and from school.
- ▶ Estimated beginning fund balance is \$988,800

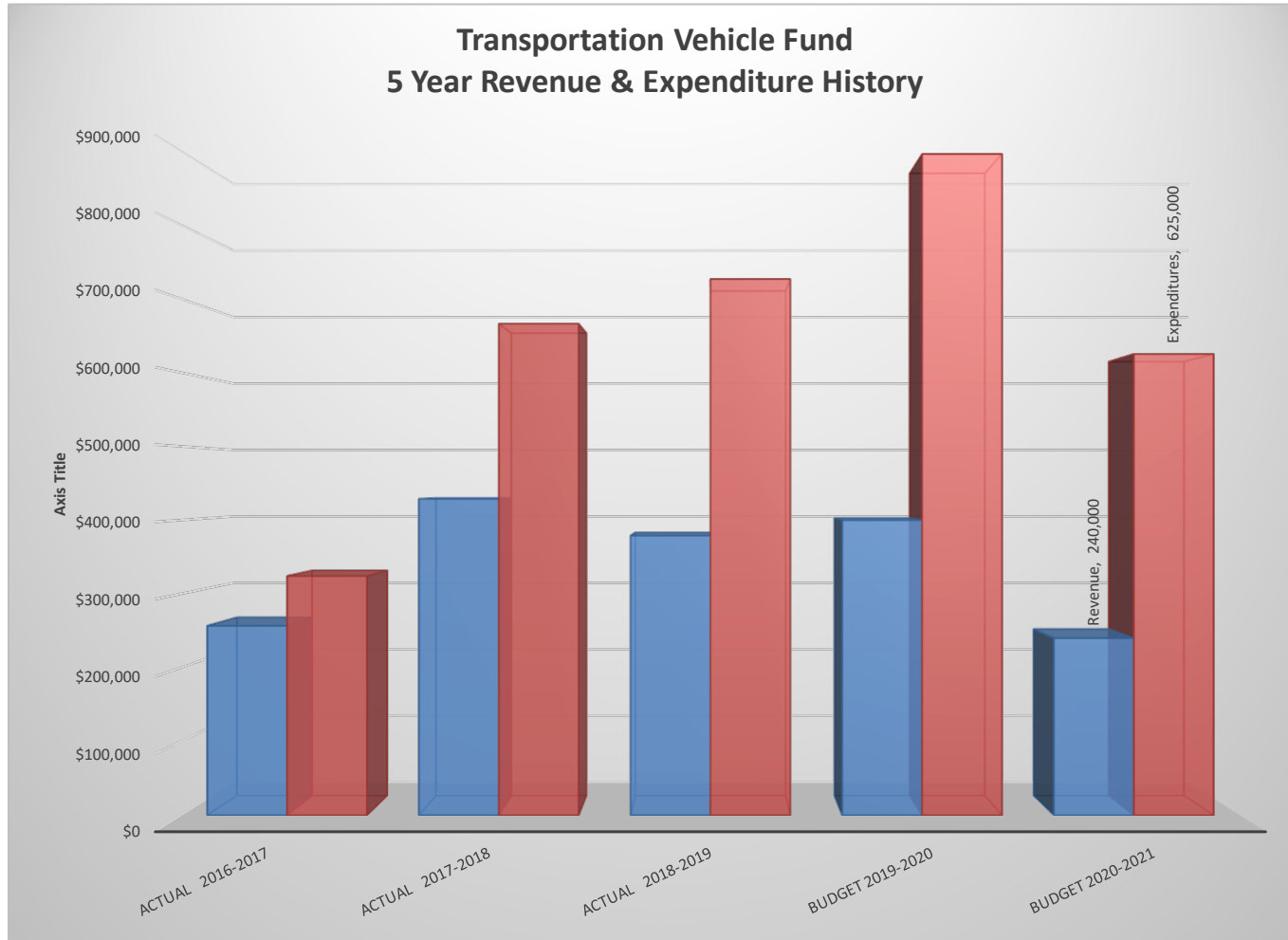


TRANSPORTATION VEHICLE FUND: PROPOSED BUDGET

- ▶ Proposed Revenue = \$465,000:
 - ▶ \$235,000 - OSPI Depreciation Funding
 - ▶ Reduction due to 2008 buses removed from schedule
 - ▶ \$225,000 - Transfer from General Fund

- ▶ Proposed Expenditures = \$625,000:
 - ▶ \$600,000: 4 New Buses - 3 Diesel and 1 Propane
 - ▶ \$25,000: Capacity for equipment repair

TRANSPORTATION VEHICLE FUND: PROPOSED BUDGET





BUDGET CONSIDERATIONS

- ▶ General Fund Considerations for continued funding of Board Initiatives:
 - ▶ STEM - \$107,000 included in proposal
 - ▶ Music - \$25,000 equipment included in proposal
 - ▶ K-7 Art - \$300,000 included in proposal
 - ▶ Safety/Security - \$500,000 included in proposal
 - ▶ Local Grant Funded program - Suspended due to expected declining enrollment
 - ▶ Spanish - Suspended until completion of District grade realignment
 - ▶ New ??

BUDGET PROCESS NEXT STEPS

July 13th

- Scheduled Date for Adoption of Budget
- Review 4 Year Budget Projection

August 31st

- File Adopted budget with NCESD
- Last date to file is September 3rd

October
2020

- Present 2019-2020 Annual Year End Fiscal Report

QUESTIONS ?? COMMENTS ??

Would you like more fiscal information about Eastmont School District?

Please contact me:

Cindy Ulrich, Executive Director of Financial Services

- Email: ulrichc@eastmont206.org
- Phone: 509-888-4686



THANK YOU FOR YOUR TIME & ATTENTION!